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SOFTVAULT SYSTEMS, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SOFTVAULT SYSTEMS, INC.,

Plaintiff,

vs.

SENSUS USA INC.,

Defendant.

CASE NO.

**COMPLAINT FOR INFRINGEMENT
OF
U.S. PATENT NOS. 6,249,868 AND
6,594,765**

JURY TRIAL DEMANDED

Plaintiff SOFTVAULT SYSTEMS, INC. files its Complaint against Defendant SENSUS
USA INC., alleging as follows:

THE PARTIES

1. Plaintiff SOFTVAULT SYSTEMS, INC. ("SoftVault") is a corporation organized
and existing under the laws of the State of Washington with its principle place of business in the
State of Washington.

1 7. The '868 Patent and the '765 Patent are sometimes referred to herein collectively
2 as "the Patents-in-Suit."

3 8. As it pertains to this lawsuit, the Patents-in-Suit, very generally speaking, relate to
4 a method and system of remotely enabling and disabling electronic, mechanical, and
5 electromechanical devices and systems, such as for example a computer system, an electricity
6 meter containing a computer system, or an energy system. Specifically, certain claims of the
7 '868 and '765 Patents disclose the utilization of embedded agents within system components to
8 allow for the enablement or disablement of the system component or device in which the agent is
9 embedded. The invention disclosed in the Patents-in-Suit discloses a server that communicates
10 with the embedded agent through the use of one or more handshake operations to authorize the
11 embedded agent. When the embedded agent is authorized by the server, it enables the device or
12 component, and when not authorized the embedded agent disables the device or component.

13 **FIRST CLAIM FOR RELIEF**

14 **(Patent Infringement)**

15 9. SoftVault repeats and realleges every allegation set forth above.

16 10. SoftVault is the owner of the Patents-in-Suit with the exclusive right to enforce
17 the Patents-in-Suit against infringers, and collect damages for all relevant times, including the
18 right to prosecute this action.

19 11. Upon information and belief, Sensus is liable under 35 U.S.C. §271(a) for direct
20 infringement of the Patents-in-Suit because it manufactures, makes, has made, uses, practices,
21 imports, provides, supplies, distributes, sells, and/or offers for sale products and/or systems that
22 practice one or more claims of the Patents-in-Suit.

23 12. More specifically, Sensus, through its FlexNet system and iCon Smart Meter
24 product offerings, infringes the Patents-in-Suit because it makes, uses, sells, and offers for sale
25 products and systems that include the capability to remotely enable and disable a computer-based
26 electricity, gas, or water meter. Sensus' Smart Meter offerings have the ability to enable or
27 disable the operation of a Smart Meter through an authorization process performed by an
28 embedded agent within the Smart Meter and a remote server. By way of example only, Sensus'

1 FlexNet system operating with Smart Meters such as the iCon models, at a minimum, in the past
2 directly infringed and continues to directly infringe at least claim 44 of the '868 Patent, as well
3 as at least claims 9 and 15 of the '765 Patent.

4 13. Sensus' FlexNet System includes the capability to enable or disable Smart Meters
5 such as the iCon models of meters. The iCon meters include software, containing an agent, that
6 is installed and embedded within the Smart Meter and communicates with a server. This
7 communication includes a series of message exchanges constituting a handshake operation
8 between the server and the Smart Meter. When the agent is authorized by the server, it will
9 connect/reconnect the Smart Meter and allow it to supply electricity to the house or building to
10 which it is attached. When the agent is not authorized by the server, the Smart Meter is remotely
11 disconnected and disabled such that it cannot supply electricity to the house or building.

12 14. Sensus has actual notice of the Patents-in-Suit at least as early as the filing of this
13 Complaint.

14 15. SoftVault has been damaged as a result of Sensus' infringing conduct. Sensus is,
15 thus, liable to SoftVault in an amount that adequately compensates SoftVault for Sensus'
16 infringement, which, by law, cannot be less than a reasonable royalty, together with interest and
17 costs as fixed by this Court under 35 U.S.C. § 284.

18 **PRAYER FOR RELIEF**

19 SoftVault requests that the Court find in its favor and against Sensus, and that the Court
20 grant SoftVault the following relief:

- 21 a. Judgment that one or more claims of the Patents-in-Suit have been infringed,
22 either literally and/or under the doctrine of equivalents, by Sensus;
- 23 b. Judgment that Sensus account for and pay to SoftVault all damages to and costs
24 incurred by SoftVault because of Sensus' infringing activities and other conduct
25 complained of herein;
- 26 c. That Sensus, its officers, agents, servants and employees, and those persons in
27 active concert and participation with any of them, be permanently enjoined from
28 infringement of the Patents-in-Suit. In the alternative, if the Court finds that an

injunction is not warranted, SoftVault requests an award of post judgment royalty to compensate for future infringement;

d. That SoftVault be granted pre-judgment and post-judgment interest on the damages caused to it by reason of Sensus' infringing activities and other conduct complained of herein;

e. That this Court declare this an exceptional case and award SoftVault its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and

f. That SoftVault be granted such other and further relief as the Court may deem just and proper under the circumstances.

JURY DEMAND

Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

DATED: December 10, 2014.

/s/ Benedict O'Mahoney

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